

Message Text

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PAGE 01 BRUSSE 11421 191956Z

12

ACTION PM-04

INFO OCT-01 EUR-12 ISO-00 CIAE-00 INR-07 NSAE-00 MC-02 L-03

TRSE-00 EB-07 COME-00 ACDA-05 SS-15 NSC-05 /061 W

----- 103553

R 191622Z DEC 75

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 5656

SECDEF WASHDC

OSAF WASHDC

INFO AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY THE HAGUE

C O N F I D E N T I A L BRUSSELS 11421

E.O. 11652: GDS

TAGS: MASS, BE

SUBJECT: F-16 CO-PRODUCTION

1. IN EMBASSY CONVERSATIONS THIS WEEK WITH SENIOR OFFICIALS OF ECONOMICS MINISTRY, THEY EXPRESSED SERIOUS AND GROWING CONCERN ABOUT LIKELIHOOD THAT BELGIAN INDUSTRY WILL BE UNABLE TO MEET REASONABLY COMPETITIVE CRITERION OF F-16 CO-PRODUCTION PROGRAM. THEY EMPHASIZED POLITICAL AND ECONOMIC IMPORTANCE OF REALIZING CO-PRODUCTION OBJECTIVES AND SOUGHT REASSURANCE THAT POTENTIAL BELGIAN SUBCONTRACTORS WOULD NOT BE REJECTED ON THAT BASIS ALONE, WITHOUT FIRST GIVING BELGIAN GOVERNMENT OPPORTUNITY TO REVIEW OPTIONS.

2. ECON MIN OFFICIALS CONSIDER IT LIKELY THAT PRICE DATA PROVIDED BY U.S. PRIME CONTRACTORS BENEFITS FROM HIDDEN GOVERNMENT SUBSIDIES, SUCH AS USE OF GOVERNMENT-OWNED PLANTS AND MACHINERY AT LESS THAN MARKET VALUE. THUS THEY INTEND TO EXAMINE CRITICALLY FOR COMPARABILITY OF BASIC DATA ANY CASES WHERE BELGIAN BIDDER APPEARS UNABLE TO MEET REASONABLE COMPETITIVENESS STANDARD. EVEN IF U.S. FIRM'S PRICE IS LOWER AFTER EXAMINATION, ECON MINISTRY OFFICIALS CONSIDER IT IMPORTANT THAT THEY HAVE THE RIGHT TO DECIDE

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FOR THEMSELVES WHETHER TO "MAKE OR BUY" WITHIN FRAMEWORK OF

MEMORANDUM OF UNDERSTANDING.

3. WE REASSURED BELGIAN OFFICIALS OF CONTINUED U.S. COMMITMENT
TO F-16 CO-PRODUCTION PROGRAM AND URGED THEM MAKE FULL USE OF
EXISTING MACHINERY (STEERING COMMITTEE , SPO AND ESPO)
ESTABLISHED TO IMPLEMENT PROGRAM.
FIRESTONE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FIGHTER AIRCRAFT, PRODUCTION, F-16, JOINT VENTURES, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Draft Date: 19 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: buchantr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750442-0844
From: BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751225/aaaaavrs.tel
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Office: ACTION PM
Original Classification: CONFIDENTIAL
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Original Previous Classification: n/a
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Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchantr
Review Comment: n/a
Review Content Flags:
Review Date: 23 APR 2003
Review Event:
Review Exemptions: n/a
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Margaret P. Grafeld
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EO Systematic Review
06 JUL 2006

Review Media Identifier:
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Subject: F-16 CO-PRODUCTION
TAGS: MASS, BE, US
To: STATE OSAF
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006